

## **WEF Metric Data Review Project**

In August 2020, the World Economic Forum proposed a set of sustainability metrics backed by more than 100 companies. The metrics consist of a set of 21 core metrics and 34 expanded metrics aimed at providing a common framework to assess any company's sustainability. An explanation and listing of the metrics can be found [here](#) and a copy is in the google drive. Please review at least pages 1-10, 20-39, 48-52, 55-58, 64-68, and 73-78.

The WEF metrics represent one of many attempts to create a standardized set of metrics that can be universally applicable to allow companies to be compared against one another in terms of their progress towards sustainability. Our task is to evaluate how useful the WEF metrics are presently by examining how much responsive data is accessible.

This protocol should provide the necessary information to research and gather the responsive data, but if you have any questions, please feel free to email Tyson Timmer at [tysonzimmer@g.ucla.edu](mailto:tysonzimmer@g.ucla.edu). Details on how to fill out specific metrics follows the general narrative.

### **I. Organizations of Interest**

For the Project, we are evaluating the companies that are listed on Standard & Poors 500 index (S&P500). Generally, these larger companies should have some sort of sustainability reporting to review; however, it is possible that you may not be able to locate much information of relevance for some of these companies. If you encounter a company that appears to have very little information, please email Tyson at the address listed above.

### **II. Data Gathering Process**

#### **A. Overview**

There is no central repository or uniform means of reporting sustainability data, which means that for each company your research process may be slightly different. In general, if a company undertakes any sustainability reporting, then the company website is likely the best place to start. After gathering all the information possible from the company reporting and website, you should move on to the other sources identified below.

#### **B. Company Reporting**

We expect the majority of the companies in the S&P500 will have some form of sustainability reporting, and companies may refer to it either as a "Sustainability Report", an "ESG Report" or a "CSR" report. ESG stands for Environmental, Social, and Governance, and CSR stands for Corporate Social Responsibility. Some companies use these terms interchangeably.

Depending on the commitment of a company to sustainability, the usefulness and details of these reports will vary. However, they represent a good place to start searching for responsive information. Additionally, relevant information may be found in other places on the company website, particularly related to the Board of Directors, the company's philanthropy efforts, and the company's involvement in community strengthening activities. You can also search the website for information related to gender and diversity, training provided, and employee turnover, which companies do not always include within an ESG report. Further, a company may also indicate other sources of information to investigate like Carbon Disclosure Project Reporting. If a company links to a Carbon Disclosure Project Report, feel free

to incorporate that data where applicable in the spreadsheet, but there is no need to independently search for Carbon Disclosure Project reports.

### **C. SEC Reporting**

In the event that a company provides links in its sustainability reports to the Securities and Exchange Commission (SEC) filings, incorporate that data as well. A common sight is the annual Proxy Statement that contains the ratio of the CEO salary to the median employee salary as well as information about the company's board of directors.

## **III. Updating the Trackers**

### **A. The Metrics**

The metrics of interest will be recorded using a Qualtrics survey. The wording of each question is tailored to specifically ask for the information needed. The following offers some general guidance on how to respond to certain questions. It is not intended to be exhaustive, but to help address common questions that arise.

As you research a company, for each disclosure question you will be asked to indicate whether or not the company discloses the information relevant to the metric. A "Yes" response should be used to indicate that a company fully discloses on the metric and a "No" response should be used to indicate that the company disclosed no information on the metric. In the event a company reports some, but not all, of the relevant information, the "Partially" response should be selected. On certain questions tips and examples are provided to show common "Partially" responses companies provide.

When a company is disclosing information on a metric, fully or partially, the survey may provide additional questions for you to answer. These will capture specific information and numbers the company disclosed. These are most commonly either numeric responses (e.g., metric tonnes of Scope 1 greenhouse gas emissions) or copy/paste responses (e.g., What does a company say about their anti corruption training?). When entering a numeric response, be sure to check that the units and scale of the numbers match what is being asked for in the question and convert when necessary (e.g., converting a reported number of US tons of CO<sub>2</sub> to metric tonnes of CO<sub>2</sub>; revenue reported in millions of dollars). I

Additionally, some companies may not report the exact data called for by the metrics, but may report on similar categories. For example, a company may not report "Recordable Work Injuries" but may report "Lost Time Injury Rate." If this is the case, please indicate the nature of the alternative disclosure when prompted for it.

Please be sure to save a PDF copy of the sustainability report you use. You will be asked to provide it with your final report.

If you have any questions regarding the information you find or how best to record, please feel free to reach out to Tyson.

## **IV. Specific Metric Instructions**

Please use this as a guide as you go through the different questions.

**Report Year** - In the event the company provides a report that spans a calendar year (e.g., 2020 - 2021 Apple Sustainability Report), use the earlier of the years listed (e.g., 2020).

**Information Sources** - Multiple times throughout the survey you will be asked a multiple choice question on where you found the information for the metric. In the event you had to check multiple sources to get all the required information for a question, please select the option that provided most of the information needed (majority or plurality).

**Numeric Answers** - Please keep in mind that a company reporting “0” for a metric is different from not reporting on a metric. If no number is reported, please leave the answer blank. If the company reports none or zero for a metric, please enter “0”.

**Percentage Answers** - If the question asks for a percentage, please enter it as a decimal. E.g., 65% should be entered as 0.65.

**Ratio Answers** - If the question asks for a ratio, please enter it as a number. E.g., If the CEO makes 238 times what the median worker makes, this would be a ratio of 238:1 and should be entered as 238.

**Core Metric 2 - Governance Body Composition: economic, environmental, social competencies** - We only consider a board member to have a particular competency if the company itself has identified the board member as specifically having that competency. This means you should only use information published by the company. You do not need to “google” or search LinkedIn for more information on their background.

**Core Metric 2 - Governance Body Composition – Number of each member's other significant positions and Responsibilities** - We only consider a board member’s other responsibilities that are disclosed by the company in its reporting/website information. This means you should only use information published by the company. You do not need to “google” or search LinkedIn for more information on their background.

**Core Metric 7 GHG Emissions** - All entries for these three columns should be in metric tons of CO2 or CO2e. If another unit is used, enter that information when prompted. Please enter the full number with all trailing zeros. E.g., If a company reports they emit 6 million metric tonnes of CO2, you should enter 6000000. If the company reports emissions without defining which scope the missions are from, this should be entered as “Partially” reporting on the Scope 1 information, and no reporting for Scope 2 and 3. If the company reports emissions by “mixing” scopes, this should be captured as “Partially” reporting for the scopes that are “mixed”.

**Core Metric 9 – Number and area of hectares owned** - Please note this is asking for hectares which are different from acres. Please be sure to convert to hectares.

**Core Metric 10 - Water Use and Water Consumption** - Please note that water use and water consumption are different things and the questions are delineated as such.

**Core Metric 18 – Economic Contribution – Community investment** - Enter a number the entire number reported including all trailing zeros.